85653

NEW YORK GAS GROUP

1515 BROADWAY • 43rd FLOOR • NEW YORK, N.Y. 10036-5701
TEL.: 212 354-4790 • FAX: 212 764-7014 • Website: www.nygas.org

June 23, 2000

Dockets Facility
United States Department of Transportation
Room PL -401
400 7th St., S.W.
Washington, DC 20590-0001

Re: Docket No. RSPA-99-6355; Notice 3 - 41

DOT's Notice of Proposed Rulemaking: Pipeline Safety: Pipeline Integrity Management in High Consequence Areas (as issued on April 24, 2000 in the Federal Register)

The New York Gas Group (NYGAS) is the New York State natural gas utility trade association whose 10 members are the largest local gas distribution companies (LDCs) in the state. These ten members are: Central Hudson Gas and Electric Corp., Consolidated Edison Co. of N.Y., Inc., Corning Natural Gas Corp., National Fuel Gas Distribution Corp., New York State Electric and Gas Corp., Niagara Mohawk Power Corp., Orange and Rockland Utilities, Inc., Rochester Gas and Electric Corp., St. Lawrence Gas Company, Inc., and KeySpan Energy Corp.

NYGAS has reviewed DOT's Notice of proposed rulemaking (NOPR) on Pipeline Safety: Pipeline Integrity Management in High Consequence Areas published in the Federal Register on April 24, 2000 and has the following comments to offer:

1. NYGAS supports the decision by OPS to implement integrity management requirements for hazardous liquid and natural gas transmission operators in several steps. That is, the first proposed rulemaking covers liquid operators operating 500 or more miles of pipeline; the second will cover the remaining liquid operators; and the last NOPR will cover the natural gas transmission operators. NYGAS agrees with statements made by OPS regarding the differences between these two products: There is a clear distinction between the physical and chemical properties of natural gas and hazardous liquids, the pipelines carrying these products pose different risks, and the configurations of the systems differ. OPS must develop the most prudent integrity program for each part of the pipeline system by considering the product being transported and the inherent risk posed. A practical solution for one segment of the pipeline industry (e.g., liquid operators) may not represent a cost effective, practical solution for another segment (eg, natural gas operators). To address the issue of pipeline integrity and to satisfy the objectives of OPS and the industry, different approaches are necessary.

2. The proposed rulemaking specifically requires an integrity assessment be done by internal inspection, pressure testing, or an equivalent technology within specified time frames. The design, construction and operation of the vast majority of the natural gas pipeline system of the NYGAS local distribution companies does not readily lend itself to internal inspection due to piping configurations, restrictions, valve types, sizes and spacing, and fitting types. In these cases, internal inspection requires the pipeline to be shut-down, thereby interrupting customers. The result is that this technique becomes impractical and prohibitively expensive for the gas companies and the customers they serve. (In special instances where supplemental testing was required and there were reasons to believe that a specific line would benefit from such an inspection, smart pigging has been conducted, albeit at a high cost to the company.) Hydrostatic testing is also performed when such testing is justified, but, this too, is a very expensive proposition. In addition, neither of these methods is fail-safe in proving pipeline integrity.

3. As stated previously, gas and liquids behave differently. Upon release, liquids travel downhill and often invade water systems. Natural gas rises from its source and tends to dissipate. While no release of gas or liquid can be taken lightly, they should be treated differently. As an example, NYGAS believes that the term referred to in the NOPR, "environmentally sensitive areas", requires two definitions, one for gas, and one for liquid. From a relative risk to the environment point of view, a stream may be a sensitive area for liquids, due to the nature of the fluid, but would not be considered as such for natural gas. As rulemaking for the gas operators is proposed, NYGAS feels that it is imperative that the rulemakers keep these points in mind so that the most effective means of evaluating pipeline integrity is established.

4. While the proposed rule acknowledges the differences between gas and liquid operators, there are also major differences between local gas distribution companies and major interstate natural gas transmission companies. Assuring pipeline integrity for the LDCs will cost significantly more on a per mile basis than it would for a major long-distance pipeline operator (gas or liquid). A risk assessment and integrity verification program for the pipelines operated by the NYGAS companies cannot take the same form as that which should be established for a typical large high-pressure cross-country natural gas transmission pipeline system.

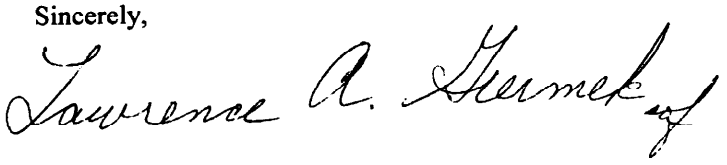
5. For the local gas distribution companies, NYGAS advocates a system-wide, pipeline integrity approach. NYGAS is developing a relative risk model that assesses pipeline integrity, integrates information regarding the pipeline, incorporates consequences of failure, and recommends measures to prevent and mitigate pipeline failures where the relative risk of particular pipeline segments suggest remediation. The New York State Department of Public Service is actively working with NYGAS in the final stages of development of this risk assessment model.

6. The NOPR states that the operator has the choice of using internal inspection, pressure testing, or *equivalent alternative technology*. NYGAS recognizes the need for equivalent alternative technology, ie, to develop non-invasive methods to evaluate pipeline conditions and integrity. Many of the LDC's transmission systems were not designed for periodic pressure testing or smart pigging. The subject is being explored through NYGAS' research arm with the objective of developing techniques to address the problem.

7. Statistics show that most pipeline failures are the result of third party damage. NYGAS believes the highest level of pipeline integrity could be achieved by focusing in this area. We believe that any NOPR should therefore encourage efforts of LDCs to promote use of "One-Call" centers; patrol pipeline ROW for construction activity; clearly mark pipeline routes; develop contractor education programs re "One-Call"; and require all excavators including municipalities and government agencies to join the One-Call system.

Thank you for the opportunity to submit these comments; we hope that they are helpful. Should you have any questions related to this submission, please do not hesitate to contact me.

Sincerely,



Lawrence A. Giermek
Chairman, NYGAS Gas Operations Advisory Committee

LAG:sof